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World Production and Trade

United States
Department of
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Foreign
Agricultural
Service

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Weekly
Roundup

WR 6-85

Feb. 6, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

The EUROPEAN COMMUNITY (EC) Commission has proposed cutting 1985/86 support prices for cereals by 3.6 percent regardless of the fact that production (excluding durum wheat) exceeded the EC's 1984 production threshold by 22 million tons. That excess should have meant a 5-percent cut in prices. However, the Commission expects to end intervention stock purchases of low-quality feed wheat, which could be a disincentive to future low-quality wheat production.

A reduction in guaranteed prices paid in 1985 by the MEXICAN government for dry beans has caused a decrease in plantings. In addition to these lower plantings, rains during the fall harvest caused significant drops in both yield and quality. The spring crop also has been adversely affected by excessive rains, and if stocks are drawn down as expected, Mexico could find it necessary to import beans to keep consumption at desired levels. Mexican dry bean imports from the United States have averaged only about 350 tons over the past few years.

OILSEEDS AND PRODUCTS

The UNITED STATES announced a sale by a private exporter of 25,000 tons of U.S. soybean oil to the SOVIET UNION on January 29. Traditionally, the United States has not been an important supplier of vegetable oil to the Soviet Union. This is the first purchase of U.S. soybean oil since 1979/80, when the Soviets purchased 25,000 tons. A 30,000-ton sale was canceled because of the grain embargo.

Other Soviet purchases of U.S. vegetable oil included 40,000 tons of sunflowerseed oil in 1982 and 15,000 tons of linseed oil in 1983/84. Soviet newspapers report that the 1984/85 sunflowerseed crop was 4.5 million tons, compared with 5.04 million tons in 1983/84.

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The U.S. agricultural counselor in Mexico City estimates MEXICO's 1984/85 cottonseed imports at 70,000 tons. CONASUPO--the Mexican buying agency--purchased 10,000 tons of cottonseed from Honduras in mid-January, with prices well below \$200 per ton. The purchases took place as a government-to-government agreement. The Mexican oilseed industry has asked CONASUPO to buy at least 100,000 tons of cottonseed in 1985 to stabilize cottonseed prices and to provide for adequate supplies. The agricultural counselor reports, however, that some of this will likely be met by other oilseeds. Prior to the 10,000-ton purchase from Honduras, Mexico imported all (27,000) of its cottonseed from the United States.

In ARGENTINA, the U.S. agricultural counselor reports that export taxes for sunflowerseed and products were temporarily reduced, effective Jan. 12, 1985. The new tax rates for sunflowerseed, oil and meal, are 27.5, 19.5 and 1.5 percent, respectively, resulting in a wider tax differential between the raw material and the processed products. At the end of 45 days, the export taxes on sunflowerseed oil and meal will return to their former levels of 21.5 and 22.5 percent, respectively. Argentina is forecast by USDA to export 990,000 tons of sunflowerseed meal and 690,000 tons of sunflowerseed oil during February 1985-March 1986.

The U.S. agricultural attache in Stockholm reports that SWEDISH imports of lupine seed are encroaching on the domestic feed pea program and on traditional protein imports of soybean and fish meals. After Swedish farmers complained that lupine seed was not subject to duties or levies, the National Agricultural Market Board recommended to the cabinet that import levies be applied.

DAIRY, LIVESTOCK AND POULTRY

Meat production in the SOVIET UNION during 1984 was 16.7 million tons, up 1.5 percent from 1983, according to the U.S. agricultural attache in Moscow. Production was reported at 97.6 million tons of milk and 76 billion eggs, each up just over 1 percent. Favorable feed supplies plus record inventories at the start of the year resulted in sharp monthly and quarterly increases of meat, milk and eggs during the first half of the year. However, these increases tapered off late in the year, probably as a result of shorter supplies of feeds.

Beginning 1985 livestock numbers, although still large compared to recent years, also indicate the effects of shorter feed supplies. Hog numbers were reported at 77.8 million head, 1 percent below 1984. Total cattle numbers--at 120.8 million head--were up 1 percent, but cow numbers were about 1 percent below 1984 beginning numbers. The number of sheep and goats was reported at 148.8 million head, 2 percent below beginning 1984 numbers.

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Milk production in DENMARK during 1984 was 5.2 million tons, 4 percent below 1983, according to the U.S. agricultural counselor in Copenhagen. Production has been running about 1 percent below the European Community (EC) quota. As a result, Denmark is not expected to pay the super levy for exceeding its quota. Milk cow numbers have declined about 5 percent as the pace of culling rose sharply while that of replacement was down. Cow numbers are expected to fall about 1 percent in 1985, while milk production may decline 2 percent.

With cheese export markets more favorable, cheese production increased over 16 percent in 1984 while butter production declined nearly 20 percent. Production of nonfat dry milk (NDM) was off even more sharply, falling from 56,000 tons in 1983 to 16,000 in 1984. For 1985, cheese output is expected to increase another 2 percent while butter and NDM show further declines.

COTTON AND FIBERS

According to the U.S. agricultural counselor in Canberra, AUSTRALIA's 1984/85 cotton crop is currently forecast at 973,000 bales from a harvested area of 194,000 hectares. Production at this level would be 50 percent above last year's record crop of 648,000 bales harvested from a record 136,000 hectares. Good soil moisture resulted in a 38-percent increase in dryland plantings.

In an effort to improve the management of growing supplies of cotton in CHINA, authorities plan to increase construction of storage facilities and form a new raw materials trade corporation to handle increased raw cotton exports. The State Planning Commission and Ministry of Commerce stated that by the end of 1986 China will have storage for an additional 1.5 million tons of cotton. In addition, Chinatex reforms are seen as an effort to boost efficiency, improve quality and increase trade. These efforts are expected to improve China's cotton marketing efforts in the next 3-5 years.

SUGAR AND SWEETENERS

WEST GERMAN sugar production for 1984/85 is estimated at 3.15 million tons (raw value), up 16 percent from the previous season, according to the U.S. agricultural counselor in Bonn. Favorable weather late in the season increased the sugar content of beets to higher levels than had been earlier expected.

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FRUITS AND NUTS

The 1984/85 season is expected to be another bumper year for WORLD apple production. Output by the major commercial producers is estimated at nearly 17.4 million tons, 7 percent greater than the 1983/84 volume.

Because of generally favorable weather conditions, apple output in the Northern Hemisphere is pegged at 14.9 million tons, the second largest crop ever harvested in the Hemisphere. Harvesting is now underway in the Southern Hemisphere, and prospects appear excellent that production will reach a new high of 2.5 million tons. Record crops are forecast for Chile and New Zealand.

A 6-percent decline to 4.7 million tons is estimated in 1984/85 pear production worldwide. Adhering to the cyclical pattern, smaller crops were harvested in half the producing countries of the Northern Hemisphere. The three leading producers--Italy, the United States and Spain--registered declines of 16, 8 and 13 percent, respectively.

Output in the Southern Hemisphere is estimated to rebound to 479,000 tons since 1984/85 is an on-year in the bearing cycle for Argentina, Australia and South Africa. Also, New Zealand is expected to harvest a larger crop for the second consecutive year, a trend that will probably continue as new trees come into production over the next several years.

Apple and pear production in selected countries is as follows in 1,000 tons:

COUNTRY	-----APPLES-----				-----PEARS-----			
	1982/83	1983/84	1984/85	1/	1982/83	1983/84	1984/85	1/
NORTHERN HEMISPHERE:								
AUSTRIA	340	263	276		57	49	54	
BELGIUM/LUXEMBOURG	270	203	230		97	102	70	
CANADA	478	485	455		31	29	31	
DENMARK	59	47	67		3	4	3	
FRANCE	1,978	1,573	1,930		429	417	446	
GERMANY, FED. REP.	2,637	1,313	1,799		534	380	449	
GREECE	265	311	320		129	146	117	
ITALY	2,642	2,056	2,075		1,142	1,219	1,030	
JAPAN	924	1,048	986		493	503	520	
MEXICO	394	302	437		47	49	52	
NETHERLANDS	440	364	380		105	121	97	
NORWAY	44	51	50		8	8	9	
SPAIN	891	1,047	1,049		451	559	484	
SWEDEN	43	42	37		5	5	6	
SWITZERLAND	140	99	125		22	20	21	
UNITED KINGDOM	340	293	312		40	54	47	
UNITED STATES	3,684	3,798	3,729		729	703	648	
YUGOSLAVIA	746	557	607		177	165	146	
TOTAL	16,315	13,852	14,864		4,499	4,533	4,230	

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COUNTRY	-----APPLES-----				-----PEARS-----			
	1982/83	1983/84	1984/85	1/	1982/83	1983/84	1984/85	1/
SOUTHERN HEMISPHERE:								
ARGENTINA	817	934	950		176	155	160	
AUSTRALIA	301	281	320		119	113	118	
CHILE	370	410	480		50	54	52	
NEW ZEALAND	192	233	246		7	9	10	
SOUTH AFRICA	423	502	494		140	126	139	
TOTAL	2,103	2,360	2,490		492	457	479	
TOTAL SELECTED COUNTRIES	18,418	16,212	17,354		4,991	4,990	4,709	

1/ Estimate.

WORLD commercial production of table grapes for 1984/85 is estimated at a record 4.5 million tons, 1 percent above the previous record set last season. Preliminary estimates for crops throughout the Northern Hemisphere indicate combined output will be marginally below the record volume harvested during the 1983/84 season, a reflection of unfavorable weather conditions in the United States and Europe and continuing area reductions in France and Japan.

In contrast, production in the Southern Hemisphere is expected to surge 14 percent to a record high of 447,600 tons. Record crops are again anticipated in Chile and South Africa where planted area has been expanding steadily for the past several years.

Table grape production in selected countries is as follows in 1,000 tons:

COUNTRY	1982/83	1983/84	1984/85 1/
NORTHERN HEMISPHERE:			
FRANCE	160.8	127.6	125.1
GREECE	239.0	256.0	360.0
ITALY	1,377.8	1,865.0	1,700.0
JAPAN	338.3	324.4	323.8
MEXICO	167.0	166.0	211.8
SPAIN	539.0	508.0	566.0
UNITED STATES	640.8	608.8	573.2
YUGOSLAVIA	267.0	242.0	237.0
TOTAL	3,729.7	4,097.8	4,096.9

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COUNTRY	1982/83	1983/84	1984/85 1/
SOUTHERN HEMISPHERE:			
ARGENTINA	117.0	91.0	105.0
CHILE	200.0	230.0	265.0
SOUTH AFRICA	62.4	72.3	77.6
TOTAL	379.4	393.3	447.6
TOTAL SELECTED COUNTRIES	4,109.1	4,491.1	4,544.5

1/ Estimate.

WORLD commercial stone fruit production for 1984 is estimated at 10.1 million tons, 3 percent above the 1983 volume. Countries in the Northern Hemisphere annually contribute over 90 percent of the world's commercial supplies of apricots, cherries, peaches, nectarines, plums and fresh prunes. The combined estimated volume for 1984 in the Northern Hemisphere is currently pegged at 9.2 million tons. Bumper harvests in the United States, West Germany, Mexico and Spain more than offset the weather reduced crops in Canada, Italy, Japan and Yugoslavia.

Stone fruit production in the Southern Hemisphere has been expanding for the past several years commensurate with the steady crop growth in Chile and New Zealand. Production for 1985 for the Hemisphere is forecast at 889,700 tons, 5 percent above the 1984 level, with sizable on-year crops in Argentina and Australia more than balancing the cyclical downturn in South African production.

Stone fruit production 1/ in selected countries is as follows in 1,000 tons:

COUNTRY	1983	1984 2/	1985 3/
NORTHERN HEMISPHERE:			
CANADA	60.0	54.2	--
FRANCE	852.6	865.0	--
GERMANY, FED. REP.	681.1	817.1	--
GREECE	650.4	644.0	--
ITALY	2,136.6	2,082.0	--
JAPAN	261.0	245.6	--
MEXICO	187.7	233.5	--
SPAIN	869.0	956.0	--
UNITED STATES	1,940.2	2,411.7	--
YUGOSLAVIA	1,313.1	926.0	--
TOTAL	8,951.7	9,235.1	--

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COUNTRY	1983	1984 2/	1985 3/
SOUTHERN HEMISPHERE:			
ARGENTINA	329.3	322.5	341.0
AUSTRALIA	120.1	109.6	121.0
CHILE	172.5	181.5	206.0
NEW ZEALAND	33.1	37.2	38.8
SOUTH AFRICA	187.0	194.9	182.9
TOTAL	842.0	845.7	889.7
TOTAL SELECTED COUNTRIES	9,793.7	10,080.8	--

1/ Includes apricots, sweet and tart cherries, peaches, plums and fresh prunes. 2/ Estimate. 3/ Forecast.

BRAZIL's 1984 commercial orange crop in the state of Sao Paulo is estimated at 190 million boxes (40.8 kilograms each), up 3 percent from earlier season indications, according to the U.S. agricultural officer in Sao Paulo. An increase in yields and a slight expansion in commercial area led to the upward revision. A further increase in production is expected for 1985 as well: the commercial orange crop is forecast at 220 million boxes. The expected increase in 1985 production is attributed to excellent growing weather, grove improvement efforts, a continuation of less selective fruit pickings and a slight expansion in area.

VEGETABLES

Production of tomatoes for processing in SELECTED MAJOR PRODUCING countries in 1984 is estimated at a record 17.2 million tons, up 15 percent from 1983 output and 24 percent higher than the 1982 harvest. In the United States and Italy, the largest producers, harvests are estimated sharply higher than the previous season. Increases also were recorded for Canada, Mexico, Greece, France, Portugal, Spain and Taiwan. Israel's crop was down moderately from a year ago.

In the United States, 1984 production of tomatoes for processing is estimated at 6.97 million tons, up 9 percent from the previous season and the largest crop since the mid-1970s. All of the increase in production is attributed to improved yields, as harvested area declined marginally. In California, the major producing State, the 1984 harvest is estimated at 5.98 million tons, 10 percent above last season. Crops in Ohio and Michigan are estimated 5 percent below last season with the harvest in Indiana up 16 percent.

In Canada, processing tomato production is estimated up 31 percent. The increase is attributed to sharp increases in both area and yield. Mexico's 1984 processing tomato production is estimated up 26 percent from last season despite a smaller harvested area.

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Italy's 1984 processing tomato crop is estimated at a record 5.0 million tons, up 14 percent from last season. The EC processing subsidy has made tomato prices particularly attractive in many non-traditional growing areas. As a result, sharp increases in area have occurred in Veneto in the north and Puglia and Calabria in the south. In Greece, production is estimated at a record 1.57 million tons, up 24 percent from last season and 6 percent above the EC quota of 1.48 million tons. Favorable growing weather resulted in sharply improved yields. In France, production is estimated up 4 percent, but 10 percent below 1982.

In Spain, 1984 processing tomato production is estimated up 23 percent due to a sharp increase in area and good growing-season weather. The crop was of excellent quality with generally normal sizes. In Portugal, 1984 production is estimated 16 percent higher than in 1983 and the largest crop since 1978. Heavy spring rains delayed the crop, but farmers, reacting to improved prices, increased area. Harvest weather was favorable with crop quality as good or better than last year. In Israel, production is estimated down 8 percent from last season's record crop. A decline in profitability led to a drop in plantings.

In Taiwan, 1984 processing tomato production is estimated up 70 percent and the largest crop on record. A dry, cool growing season resulted in excellent yields and good crop quality. Production in 1985 is expected to be down due to oversupplies and to a lower national production target.

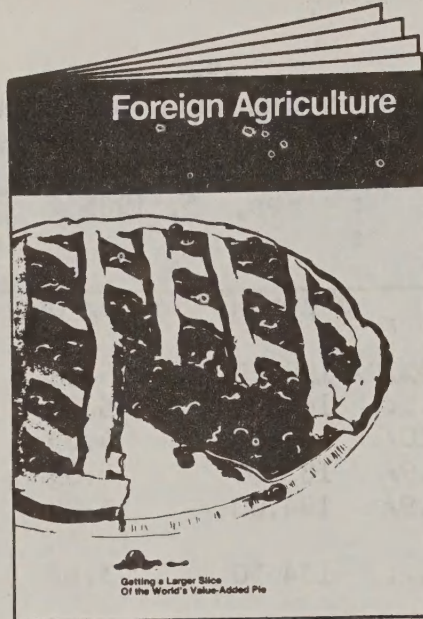
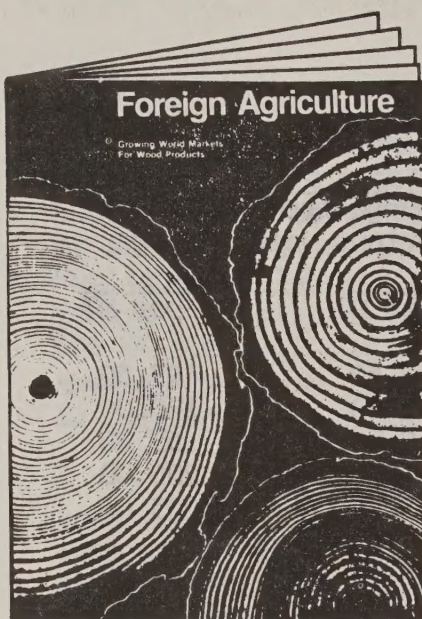
Production estimates are as follows in 1,000 tons:

COUNTRY	1982	REVISED 1983	ESTIMATED 1984
UNITED STATES	6,621	6,377	6,967
CANADA	477	383	500
MEXICO	200	190	240
ITALY	3,056	4,400	5,000
GREECE	1,178	1,265	1,570
FRANCE	377	328	340
SPAIN	839	878	1,080
PORTUGAL	471	533	620
ISRAEL	240	295	270
TAIWAN	378	370	630
TOTAL	13,837	15,019	17,217

-9-
Selected International Prices

Item	: Feb. 5, 1985	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.9/	190.50	5.18	+2.50 197.50
U.S. No. 2 DNS/NS: 14%....	184.00	5.01	+1.00 190.00
U.S. No. 2 S.R.W.10/	167.00	4.55	+2.50 153.00
U.S. No. 3 H.A.D.....9/	185.00	5.03	+1.00 205.00
Canadian No. 1 A: Durum.9/	194.00	5.28	+ .50 205.00
Feed grains:			
U.S. No. 3 Yellow Corn....	134.50	3.42	+ .50 153.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	243.50	6.63	-5.00 290.40
Brazil 47/48% SoyaPellets 4/	172.00	--	-8.00 232.00
U.S. 44% Soybean Meal....	158.00	--	-8.00 215.00
U.S. FARM PRICES 3/			
Wheat.....	124.18	3.38	+ .73 123.81
Barley.....	82.67	1.80	+9.19 99.21
Corn.....	103.15	2.62	- .39 122.44
Sorghum.....	93.70	4.25 2/	+3.09 107.14
Broilers 4/.....	1120.16	--	-40.34 1348.33
EC IMPORT LEVIES			
Wheat 5/.....	42.25	1.15	-1.50 77.85
Barley.....	56.05	1.22	+1.75 53.00
Corn.....	44.20	1.12	+ .65 51.20
Sorghum.....	53.65	1.36	+3.20 63.05
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q. N.Q.
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	137.80	3.75	-1.05 169.85
Bread wheat (min. quality)7/	146.70	3.99	-1.10 185.50
Barley and all			
other feed grains.....	137.80	--	-1.05 169.85
Broilers 4/ 6/.....	N.Q.	--	N.Q. N.Q.
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	14.70	.40	-- 26.05
Barley.....	28.75	.63	+ .05 26.05
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q. N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. 10/ March shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis February delivery.



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